



7380 W. Sand Lake Rd.,  
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November 11, 2024

Dear Hotel de L'Eau Vive (HDLV) Owners,

Enclosed is an updated Frequently Asked Questions (FAQ) document with the latest developments at HDLV. The property has been closed since April 2024 due to serious safety and compliance issues, and Lemonjuice Solutions, in coordination with the Board, is actively working to address these challenges and reopen the property as soon as possible.

The FAQ outlines the current status, ongoing renovations, financial concerns, and the implications of the bankruptcy process. Lemonjuice Solutions is committed to keeping you informed and answering your questions as the process unfolds.

Owners are encouraged to review the FAQ and reach out with any additional questions. Lemonjuice Solutions also invites you to participate in the upcoming Virtual Town Hall meeting, where more detailed updates will be provided, and concerns addressed directly.

#### **Virtual Town Hall – Submit Your Questions**

A **Virtual Town Hall will be held on Thursday November 21, 2024, at 6:00 P.M. EST**, to provide further updates and answer owner questions. To ensure we address the most pressing concerns, please submit any questions in advance by emailing [hdlvreimagined@lemonjuice.biz](mailto:hdlvreimagined@lemonjuice.biz) by November 19, 2024.

Details of the Virtual Town Hall, including login information, are attached to this communication. The session will be recorded for those unable to attend, and a summary will be posted on the owner website at <https://hotel-deleauvive.info>.

#### **Staying Connected**

Lemonjuice Solutions remains committed to transparency and open communication throughout this process. Please continue to visit the owner website for updates and FAQs, and feel free to contact us with questions at [hdlvreimagined@lemonjuice.biz](mailto:hdlvreimagined@lemonjuice.biz).

Lemonjuice Solutions recognizes the frustration and uncertainty this situation may cause and assures you that every effort is being made to achieve the best outcome for all HDLV owners. Thank you for your patience and support as we work through these challenges.

Sincerely,

**Lemonjuice Solutions**

Dear Hotel de L'Eau Vive (HDLV) Owners,

We are excited to invite you to the upcoming **Hotel de L'Eau Vive Town Hall** on **Thursday, November 21, 2024, at 6 pm**. This meeting is an opportunity for us to connect with you, share important updates, and discuss the future of HDLV together. We value your input and encourage your participation!

To ensure a productive meeting, please feel free to submit any questions you may have in advance by emailing us at [hdlvreimagined@lemonjuice.biz](mailto:hdlvreimagined@lemonjuice.biz). We have also attached the agenda and Zoom invitation below. Reviewing these in advance will help you come prepared with any additional questions or comments you would like to discuss.

### **Hotel de L'Eau Vive Town Hall Agenda**

**Date:** November 21, 2024

**Time:** 6:00 PM ET

1. Opening and Introductions
2. Updates
3. State of HDLV
4. Open Forum

### **Join the Webinar on Zoom**

When: November 21, 2024, 06:00 PM Eastern Time (US and Canada)

Topic: **Hotel de L'Eau Vive Town Hall**

Please click the link below to join:

<https://us06web.zoom.us/j/82811582285?pwd=xlKAecTjTQvKBwGi56H6tdwOzYKAGR.1>

Or One tap mobile:

1-305- 224-1968

1-301-715-8592

Webinar ID: 828 1158 2285

Passcode: 614638

Please note individual concerns or inquiries regarding ownership will be handled separately from the webinar to keep the session focused and flowing smoothly for all participants. Our moderators will facilitate the session to ensure a seamless and positive experience.

Thank you for your continued support and engagement. We look forward to seeing you there and hearing your valuable insights!

Warm regards- Lemonjuice Reimagined

## **Hotel de L'Eau Vive (HDLV) - Owner Q&A Update**

### **1. What is being done to reopen the property?**

HDLV was closed on April 26, 2024, by order of the New Orleans Fire and Permitting Departments due to significant safety concerns, including issues with the fire suppression system, elevator exits, signage, and lighting. These issues, along with unresolved water damage, required immediate action to ensure the safety of owners and guests.

#### **A. Fire Safety and Compliance:**

- The fire and safety department responses have been extremely slow, which has caused frustration among owners.
- Lemonjuice Solutions has hired the consulting agency, Zachary Smith Consulting, to prepare a report on the fire safety deficiencies and to recommend corrective actions.
- The report was received on October 11, 2024. Lemonjuice Solutions is now coordinating with the consulting firm to meet with the local fire chief to discuss these findings and establish timelines for addressing the issues. Key compliance challenges include the lack of a fire suppression system and ADA compliance issues.
- Until local authorities approve the compliance plan, the property will remain closed. Lemonjuice Solutions is committed to resolving these problems as swiftly as possible.

#### **B. Funding and Financing:**

- Hotel De L'Eau Vive (HDLV) is facing significant funding challenges and has maxed out the \$1 million loan that originated in July 2023.
- HDLV needs additional capital to address life safety issues, such as replacing the roof and elevator, which are estimated to cost around \$900,000 in total.
- Possible funding solutions include special assessments, maintenance fee increases, or restructuring the existing loan.

#### **C. Renovation and Preparation for Reopening:**

- In addition to the fire safety and compliance work, the Lemonjuice discussed is considering broader renovations to make the property more marketable.
- The estimated cost for these renovations is between \$1-1.5 million, which would include addressing issues like the ADA-noncompliant bathrooms.
- The goal is to use the current closure as an opportunity to make the necessary improvements and prepare the property for successful reopening.
- Lemonjuice is working diligently to address the fire safety and compliance issues, secure the required funding, and prepare the property for a potential reopening in the future.

### **2. How will the bankruptcy process affect me as an owner?**

The bankruptcy is an association-level process aimed at selling the HDLV property to maximize the value for all owners. It will not affect your personal credit. Once the property is sold, the net proceeds will be distributed among active owners.

#### **A. Tender Offers:**

- Lemonjuice has processed 120 tender offers, totaling around \$427,000.
- However, due to unrelated expenses from the property closure, relocation costs, etc., Lemonjuice has had to pause an additional seventy-two pending tender offers, which would have totaled around \$225,000.
- Lemonjuice is prioritizing the overall benefit of all owners, rather than just processing the pending tender offers, due to the financial constraints.
- The intent is to continue with the tender offer process, but owners may receive their distributions later than originally anticipated.

#### **B. Ownership and Usage Rights:**

- If the judge declares the timeshare plan to be past its useful life, the property will transition from a timeshare model to a tenants-in-common ownership structure. This would mean that owners would no longer have guaranteed usage rights, and the property would potentially operate more like a hotel or rental property.
- Lemonjuice is working to navigate these challenges while trying to balance the interests of all owners.

#### **C. Communication and Transparency:**

- Lemonjuice is dedicated to enhancing communication with the owners and is organizing a town hall meeting to provide updates and address concerns. As the management company for HDLV, we understand the frustration and uncertainty the owners are experiencing due to the closure of the property.
- Lemonjuice aims to be transparent about the challenges we face and the decisions we make, while also seeking feedback and input from the owners.

### **3. Will the 2025 maintenance fees be required during the closure?**

Even though the property is temporarily closed, ongoing maintenance, legal, and administrative costs continue. These expenses are covered by the maintenance fees to manage the property effectively until it can be reopened or sold.

### **4. Is Lemonjuice addressing past financial and zoning irregularities?**

Yes, Lemonjuice has uncovered multiple issues, including improper zoning, and missing or unreported financial records. We are actively resolving these problems and working to ensure the property is managed properly moving forward. Legal experts have been engaged to correct these discrepancies and protect owner interests.

#### **A. City and Fire Department Responses:**

- **Consulting Report:** A local consulting firm, Zachary Smith Consulting and Design, has produced a report outlining the necessary fixes to reopen the building. This report will be presented to the local Fire Chief and other officials to seek approval for the reopening plan.
- **Current Status:** Lemonjuice has engaged in numerous meetings and communications with the local fire chief and inspector. A meeting is planned for the coming week with the local council and experts to discuss the reopening of the building. Their feedback is essential for progressing with the reopening plans.
- **Reopening Timeline:** We have a tentative plan to reopen the building within the first two months of next year. However, this is not guaranteed and depends on vendor availability and other factors.

## **5. Has the initial \$1M loan from Lemonjuice to HOA been capped?**

Lemonjuice is preparing various options, including special assessments, maintenance fee increases, and loan restructuring, to secure the necessary capital to address the property's critical issues and prepare for a potential reopening.

### **A. Funding Challenges:**

- During a Board Meeting on October 15, 2025, Lemonjuice informed the HDLV Board Members that \$1 million loan has maxed out. There are limited operational funds remaining, with only enough to cover expenses until the end of the year.
- Lemonjuice highlighted the need for additional capital to address life safety issues, such as replacing the roof (\$450,000), replacing, or fixing the elevator to code and certification required. Other deficiencies, like the lack of a fire suppression system (\$45,000) and ADA compliance issues.

### **B. Potential Funding Solutions:**

- Lemonjuice discussed with the Board the possibility of special assessments or restructuring the existing loan to secure more funding. The HOA acknowledged the need to work with Lemonjuice to determine the best approach, whether it is special assessments, maintenance fee increases, or loan restructuring. The goal is to find the necessary funding to address critical life safety and compliance issues, as well as potentially undertake broader renovations to make the property more marketable.

### **C. Timing and Uncertainty:**

- The board emphasized that the timing and scope of the required work is dependent on the outcome of the meeting with the local fire chief and the judge's ruling on bankruptcy.
- Lemonjuice is committed to providing the board with multiple financing scenarios based on the potential outcomes, as the best course of action may change depending on the decisions made by the authorities. A Board meeting will be scheduled for prior to the end of the year to discuss the options.